



**WEST BASIN MUNICIPAL WATER DISTRICT**  
17140 S. Avalon Blvd., Suite 210  
Carson, CA 90746

**AGENDA NO. 10**

**JULY 16, 2009 – Water Resources**

Little (Chair), Gray

**JULY 27, 2009 – Board Meeting**

Prepared by: Christiana Daisy

Submitted by: Wyatt Won

Approved by: Rich Nagel

## ACTION CALENDAR

### CONTRACT OPERATIONS FOR RECYCLED WATER FACILITIES

#### SUMMARY:

West Basin Municipal Water District (West Basin) currently contracts with United Water Services (UWS) to operate and maintain the recycled water treatment facilities. These water treatment facilities include the Edward C. Little Water Recycling Facility in El Segundo and the satellite facilities in Carson, Torrance and El Segundo. UWS has operated and maintained West Basin's recycling water facilities since the start-up in 1995. The current agreement is structured such that West Basin pays UWS for labor, including salaries, fringe benefits, profit, and overhead. West Basin also pays UWS for other non-labor expenses at a 12% mark-up. Under the terms of the current agreement, West Basin has the option to renew the agreement for an additional five years. The current agreement was to expire January 31, 2009; however, in July 2008, the Board decided to extend the agreement for an additional six months through July 31, 2009. Since that time, UWS has improved communications and service to the refineries and strengthened working ties with Hyperion staff.

UWS hires the staff to manage, operate, and maintain the facilities. Of the 46 UWS employees at the water recycling facility, several have been there since the program began in 1995, providing invaluable history and experience about West Basin's facilities. In addition to its operations and maintenance duties, UWS acts as an extension of staff, assisting West Basin staff with events, facility tours, major expansions, minor capital improvements, and research and development projects. West Basin's recycled water program continues to expand and the ability to attract new customers is largely dependent upon our reputation for supplying reliable, consistent quality water and responding to customers' needs. Over the years, UWS has provided the operational expertise that has greatly contributed to West Basin's positive reputation.

Staff recommends that West Basin enter into an agreement with UWS to operate and maintain the recycled water treatment facilities for five years. The term of this agreement would be for a period of five years commencing August 1, 2009 and ending July 31, 2014 with the option to renew the agreement for one additional five year term. UWS would be paid on a time and material basis, similar to the current agreement. Other terms are being negotiated and will be reported to the Committee.

#### STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 7, Infrastructure – Manage infrastructure to ensure reliability, manage risk, and maximize the useful life of facilities.

COMMITMENT STATEMENT:

Sound Financial and Resource Management – West Basin is committed to efficient business operations, financial planning, and asset management.

FISCAL IMPACTS:

Funds are included in the Fiscal Year 2009-10 Operations and Maintenance Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on July 16, 2009 and agendized to the July 27, 2009 Board meeting without a Committee recommendation.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to enter into an agreement with UWS to operate and maintain the recycled water treatment facilities for five years on a time and material basis.

LIST OF EXHIBITS:

None.

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